



Iowa Department of Human Services

State Innovation Model

March 2016 Safety Net Leadership and
Advisory Meeting

Agenda

- Case for Change
- Iowa Impact
- State Innovation Model (SIM)

National Case for Change

Shift from **Volume** to **Value**

What our system pays for:



More Services

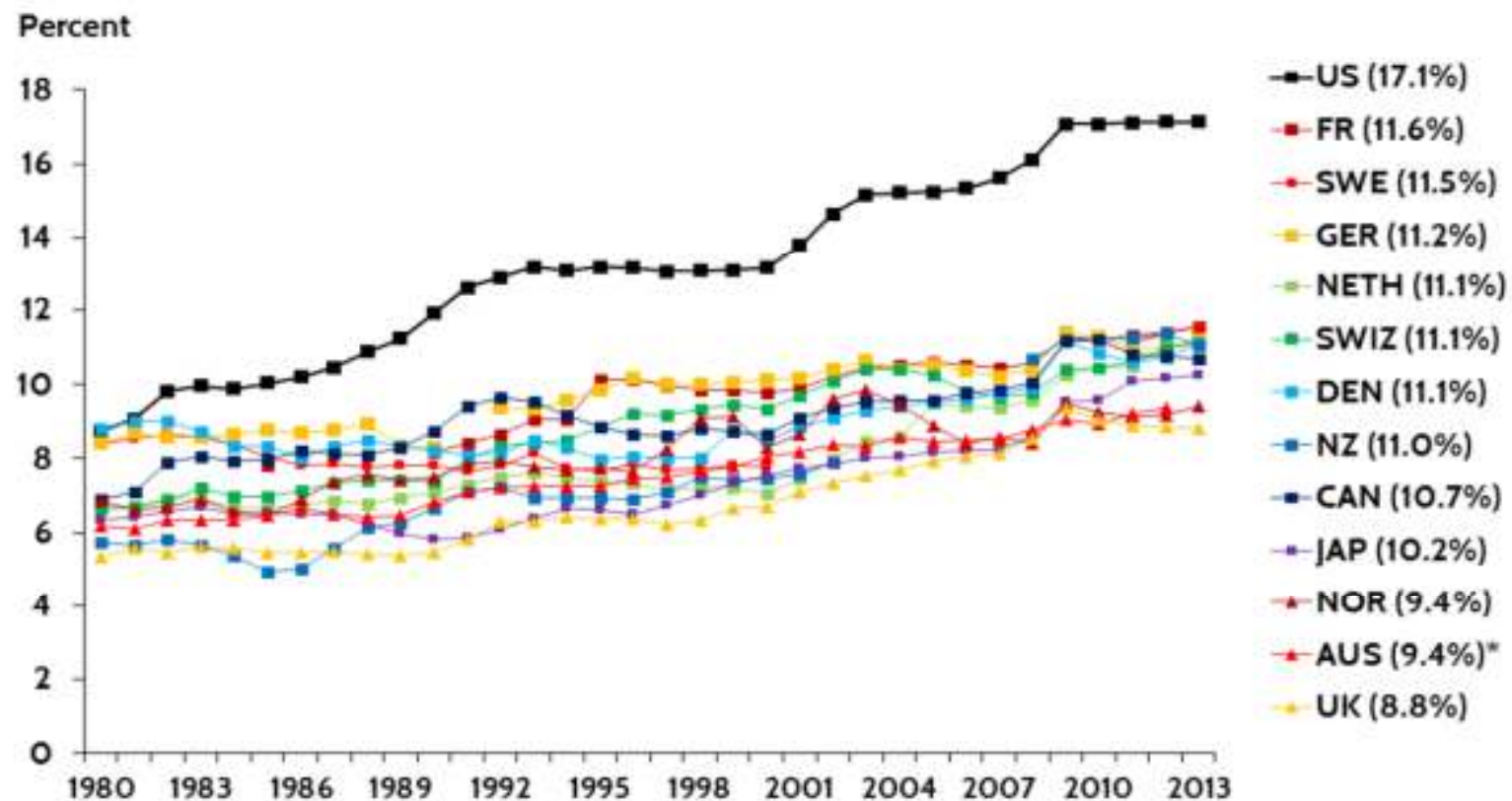
What we want to pay for:



Healthier People

National Healthcare Cost Comparison

Exhibit 1. Health Care Spending as a Percentage of GDP, 1980–2013



* 2012.

Notes: GDP refers to gross domestic product. Dutch and Swiss data are for current spending only, and exclude spending on capital formation of health care providers.

Source: OECD Health Data 2015.

US Quality Ranking

COUNTRY RANKINGS

Top 2*
Middle
Bottom 2*

											
	AUS	CAN	FRA	GER	NETH	NZ	NOR	SWE	SWIZ	UK	US
OVERALL RANKING (2013)	4	10	9	5	5	7	7	3	2	1	11
Quality Care	2	9	8	7	5	4	11	10	3	1	5
Effective Care	4	7	9	6	5	2	11	10	8	1	3
Safe Care	3	10	2	6	7	9	11	5	4	1	7
Coordinated Care	4	8	9	10	5	2	7	11	3	1	6
Patient-Centered Care	5	8	10	7	3	6	11	9	2	1	4
Access	8	9	11	2	4	7	6	4	2	1	9
Cost-Related Problem	9	5	10	4	8	6	3	1	7	1	11
Timeliness of Care	6	11	10	4	2	7	8	9	1	3	5
Efficiency	4	10	8	9	7	3	4	2	6	1	11
Equity	5	9	7	4	8	10	6	1	2	2	11
Healthy Lives	4	8	1	7	5	9	6	2	3	10	11
Health Expenditures/Capita, 2011**	\$3,800	\$4,522	\$4,118	\$4,495	\$5,099	\$3,182	\$5,669	\$3,925	\$5,643	\$3,405	\$8,508

Notes: * Includes ties. ** Expenditures shown in \$US PPP (purchasing power parity); Australian \$ data are from 2010.

Source: Calculated by The Commonwealth Fund based on 2011 International Health Policy Survey of Sicker Adults; 2012 International Health Policy Survey of Primary Care Physicians; 2013 International Health Policy Survey; Commonwealth Fund National Scorecard 2011; World Health Organization; and Organization for Economic Cooperation and Development, OECD Health Data, 2013 (Paris: OECD, Nov. 2013).

Health and Human Services Sets the Stage for Change



The NEW ENGLAND JOURNAL of MEDICINE

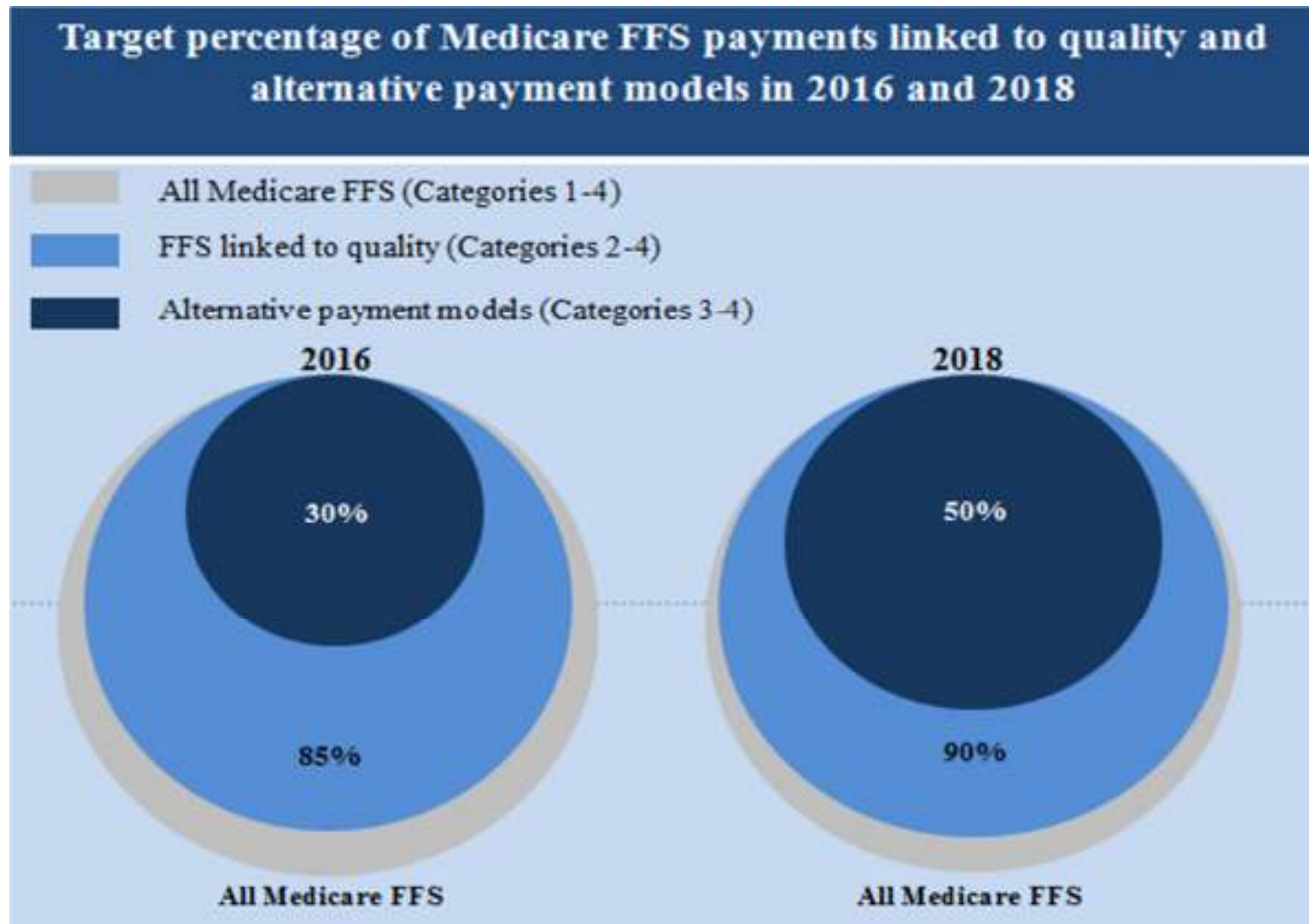
Setting Value-Based Payment Goals — HHS Efforts to Improve U.S. Health Care

Sylvia M. Burwell

New targets have been set for value-based payment: 85% of Medicare fee-for-service payments should be tied to quality or value by 2016, and 30% of Medicare payments should be tied to quality or value through alternative payment models by 2016 (50% by 2018).

Source: New England Journal of Medicine:
U.S. Dept. of Health and Human Services Secretary Sylvia M. Burwell

CMS goals to move to Value

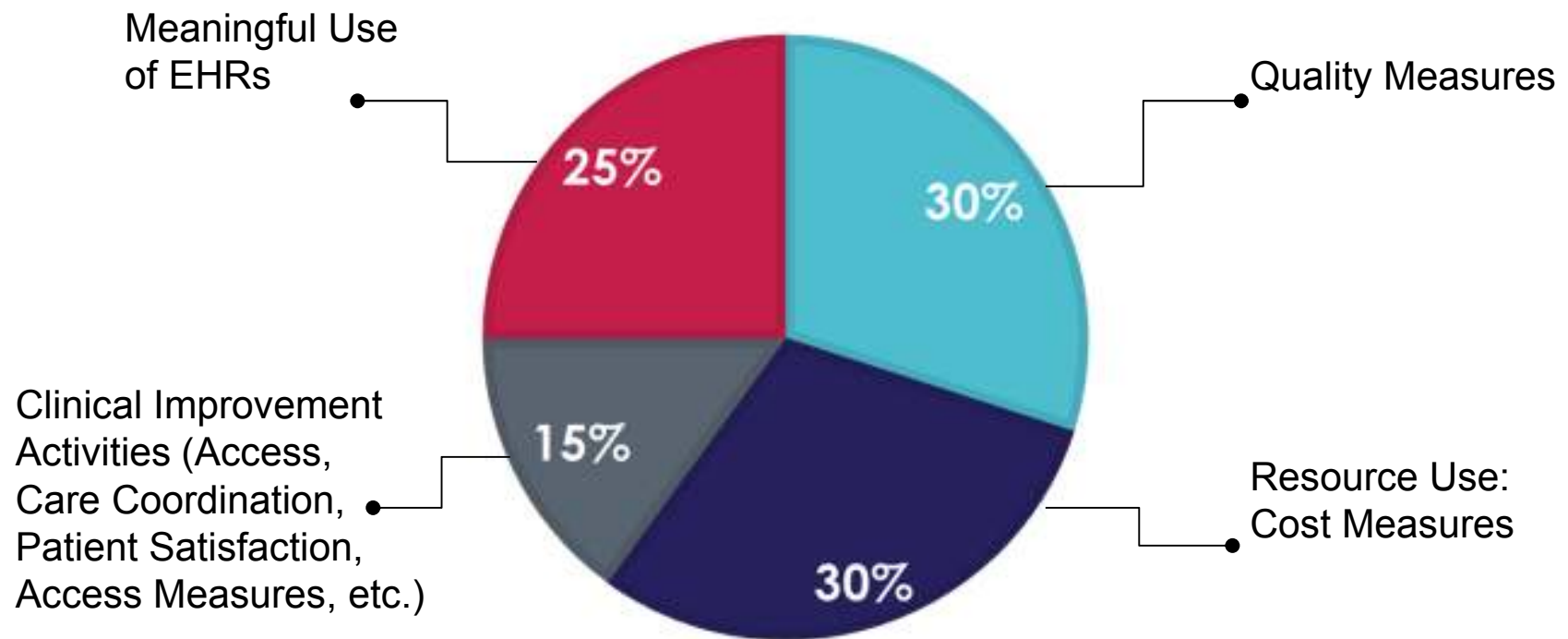


Medicare Access and CHIP Reauthorization Act

- Beginning in 2019 providers **Must Choose** between two Value-Based Payment Tracks:
 1. **Merit-Based Incentive Payment System (MIPS)**
 2. **Alternative Payment Models (APM)**

Merit-Based Incentive Payment System (MIPS)

PQRS, MU and VM combine into a single payment adjustment



Source: The Medicare Access & CHIP Reauthorization Act of 2015.

Better Care, Smarter Spending, Healthier People

“All alternative payment models and payment reforms that seek to deliver better care at lower cost share a common pathway for success:

providers must make fundamental changes in their day-to-day operations that improve the quality and reduce the cost of health care.”



Case for Change in Iowa: Iowa Style

SIM Builds Upon Iowa's Rich Foundation

- **Provider Improvement:**

- Partnership for Patients (PFP)
- Iowa's Hospital Engagement Network (HEN)
- 1000 Lives Campaign
- 5 Million Lives Campaign

- **Payer Innovation:**

- Medicare Shared Savings Program,
- Pioneer ACO
- Medicaid Health Home
- Wellmark

- **Community Grants:**

- IDPH State and Federal Funded Community Wellness Grants, CDC Community Transformation Grants,
- IPCA Community Care Teams,
- Blue Zones™

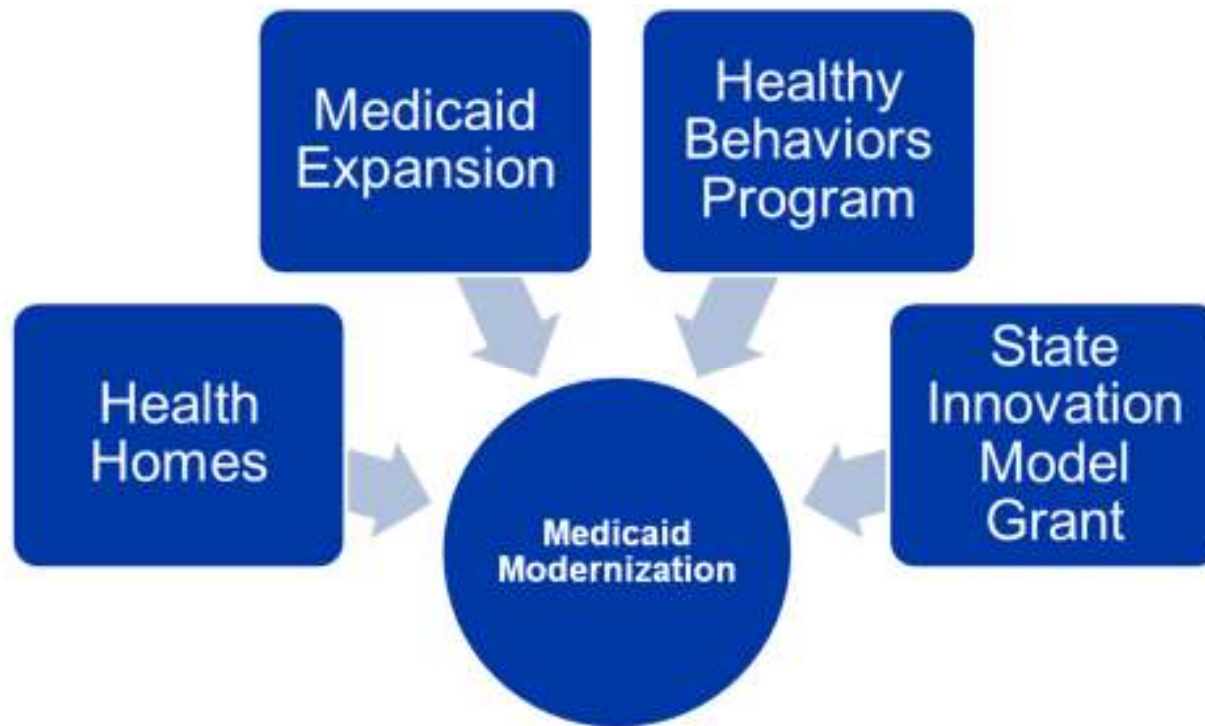
- **Population Health Improvement:**

- Iowa Healthiest State Initiative
- SafetyNet
- IDPH CDC-funded Tobacco
- Diabetes
- Nutrition & Physical Activity Initiatives
- Mental Health Redesign

- **Technology:**

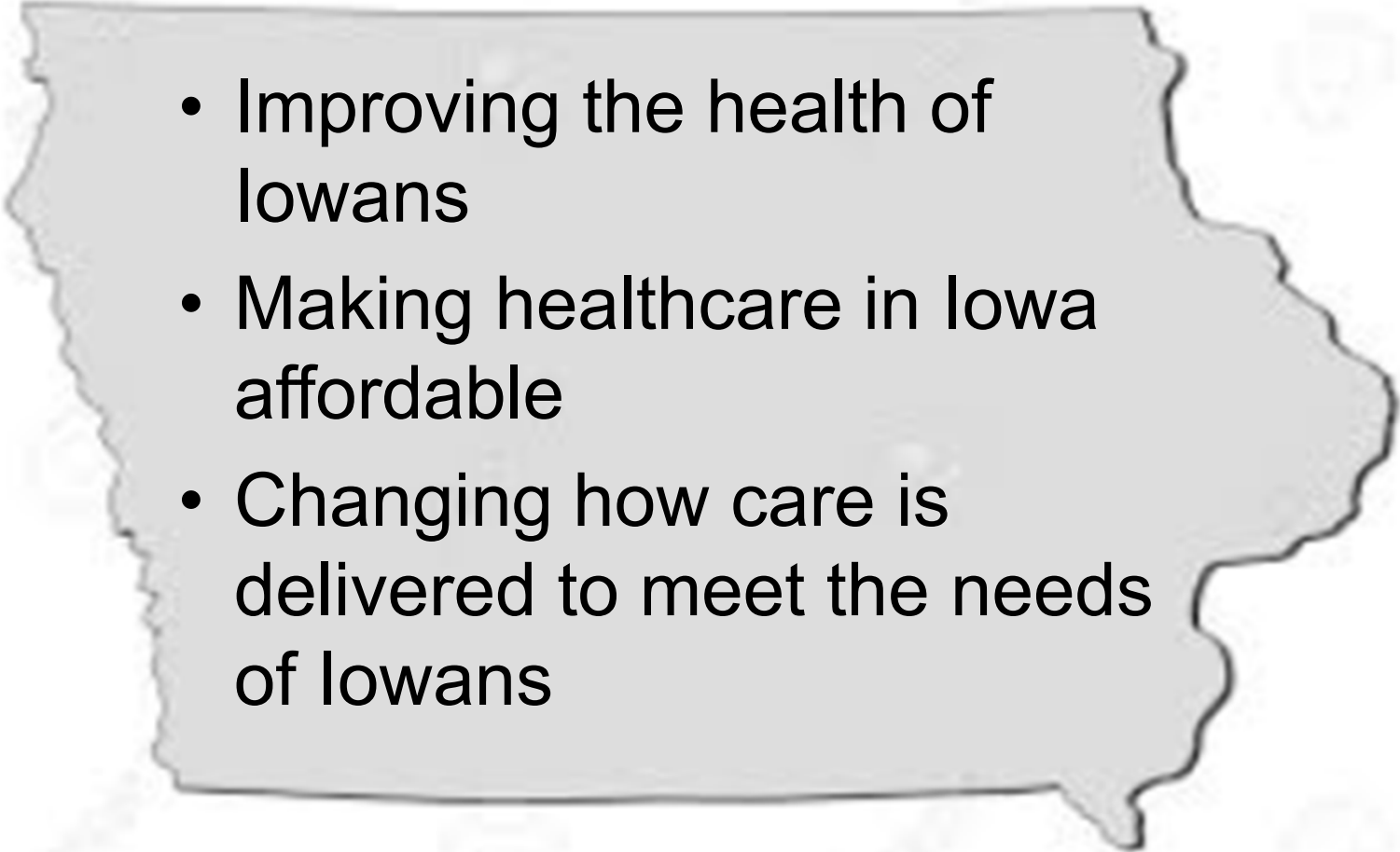
- Iowa Telemedicine
- ECHO
- IHIN

Using Innovation to Address a Changing and Growing Program



SIM is a Statewide Initiative

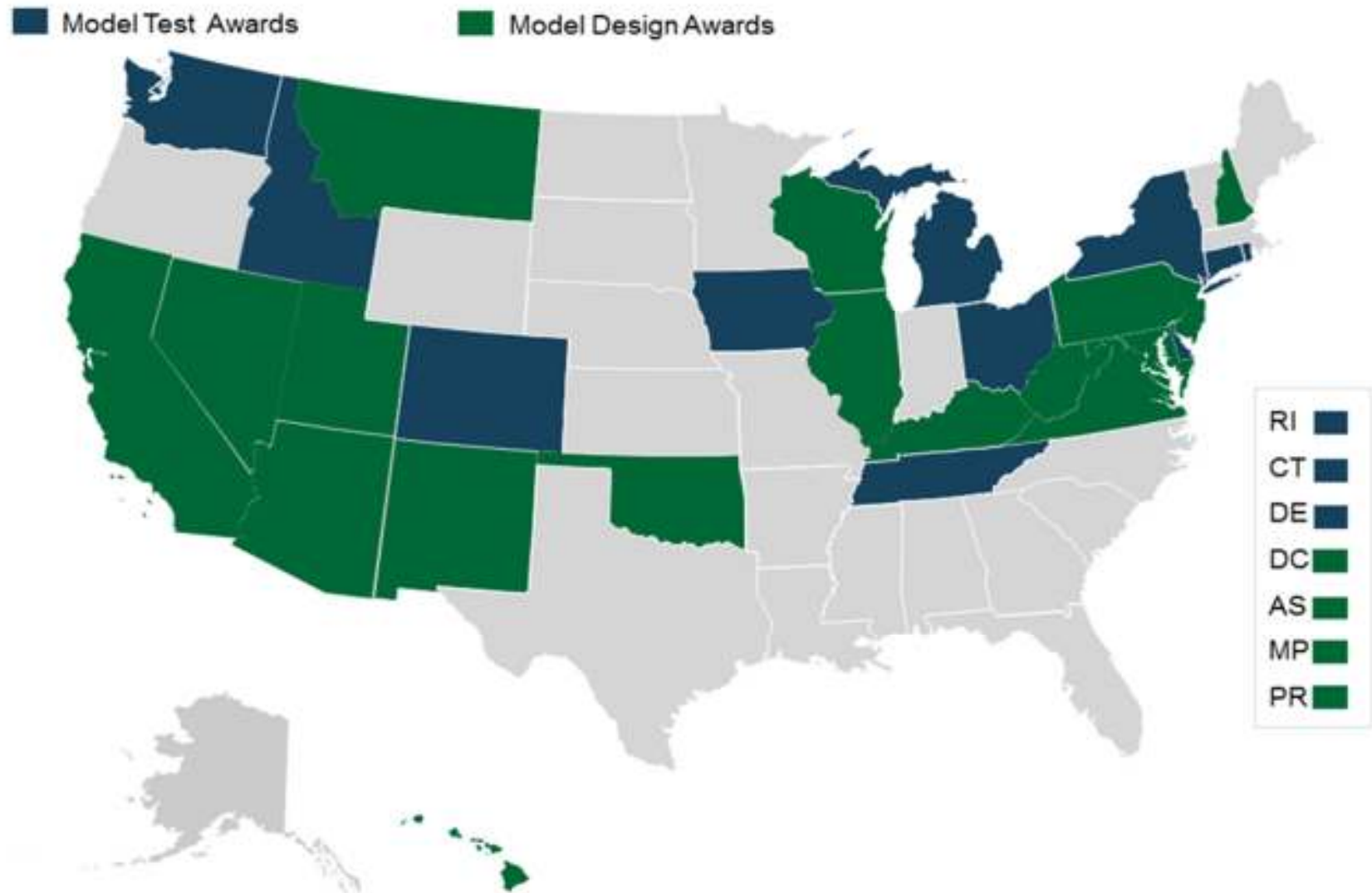
Payers, Providers, Public Health, Populations
working together towards common outcomes

- 
- Improving the health of Iowans
 - Making healthcare in Iowa affordable
 - Changing how care is delivered to meet the needs of Iowans

State Innovation Model (SIM)

- Iowa is one of 11 Round Two Test States
 - 1 implementation year and 3 model test years
 - 43.1 million dollars to test innovations that achieve our SIM vision
- **Broad-based, multi-payer approach that improves health for all lowans**
 - Involve innovative approaches that encompass private-public partnerships
 - Population health improvement and payment reforms

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Source: Centers for Medicare & Medicaid Services

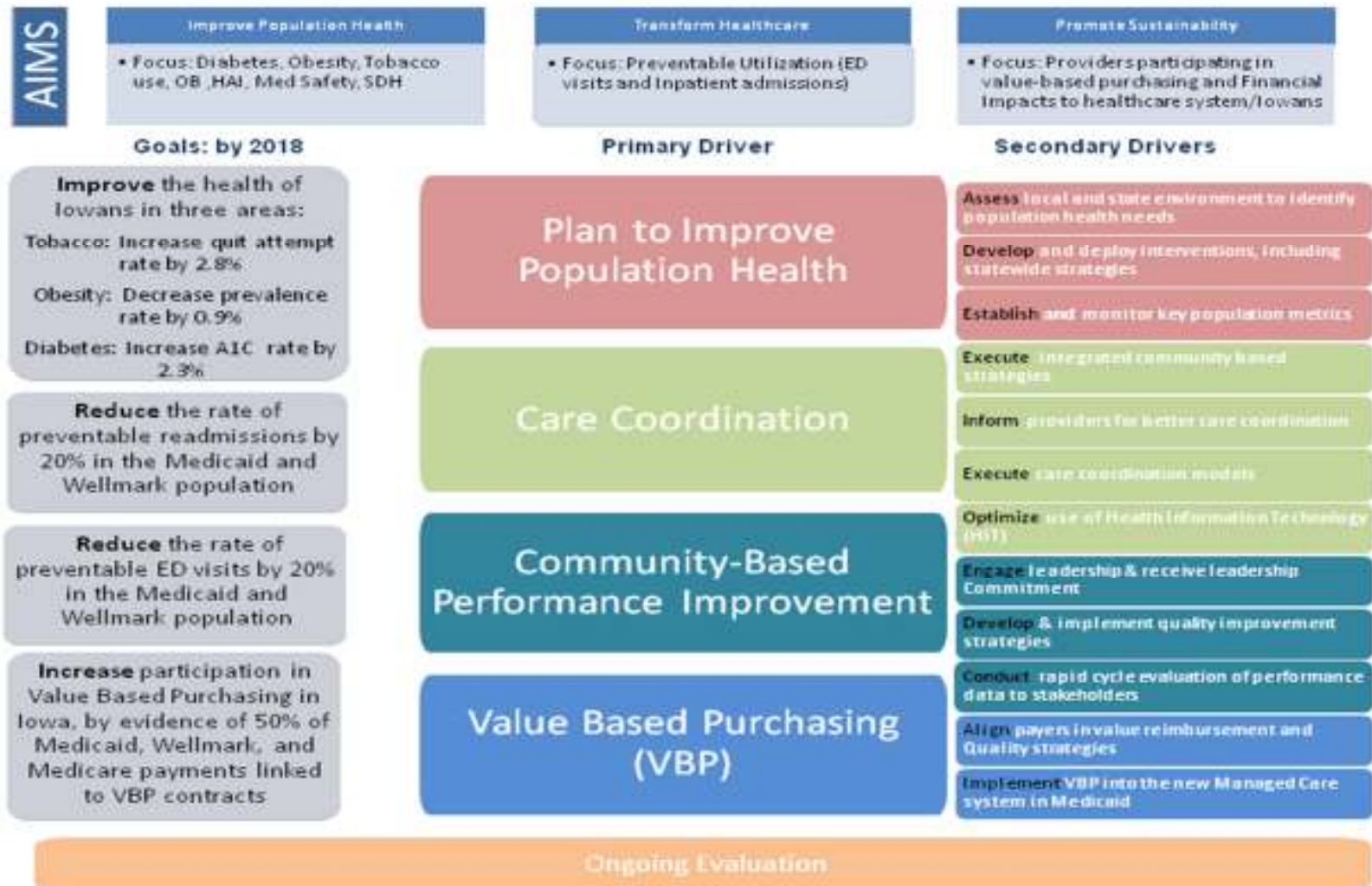
SIM Goals

By 2018 the SIM will:

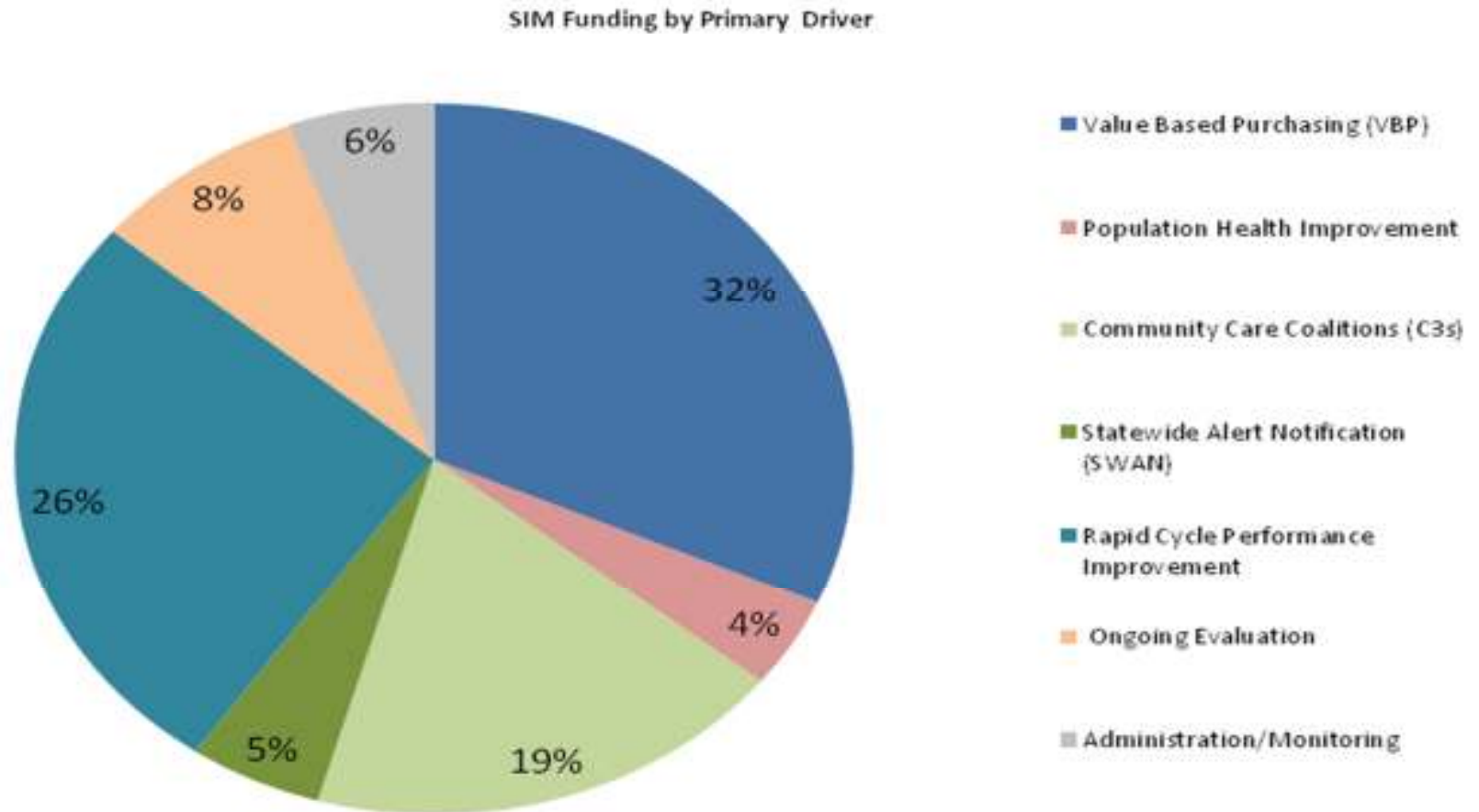
- **Increase** the percentage of adults smokers who have made a **quit attempt** by 2.8%
- **Decrease** the **adult obesity** prevalence rates by .9%
- **Increase** the percent of adults with diabetes having two or more **A1c tests** by 3.3%
- **Reduce** preventable **ED Visits** by 20%
- **Reduce** preventable **Readmissions** by 20%
- **Increase** amount of healthcare **payments linked to value** to reach 50%

Driver Diagram

The Iowa SIM Vision: Transforming Health Care to Improve the Health of Iowans



Budget Drivers



Healthiest State Initiative (HSI)

The SIM Test grant aligns and supports the Healthiest State Initiative

- Population health goals align
 - Diabetes
 - Obesity and
 - Tobacco Use
- Improve the health of all Iowans
- Engage stakeholders in healthier living
- *April 26th 2016 – Grand Blue Mile Race Event:*
<http://www.grandbluemile.com/>

Value-Based Purchasing (VBP)

Two SIM strategies to align VBP in Iowa:

1. Implement VBP in Medicaid Managed Care
 - Support ACOs and other value oriented providers engaged in Medicaid VBP models
2. Align value reimbursement and quality models across payers
 - Ensure ACOs and providers are getting to scale on transformation to improve the health of all Iowans

Value-Based Purchasing (VBP) Models

Medicaid, exercising oversight of the MCO, will ensure value-based activities align in Iowa

- Each MCO shall:
 - Support the SIM grant activities
 - Each MCO shall use a value-based purchasing model for at least 40% of population by 2018
 - Each MCO shall use the Value Index Score (VIS)

Value-Based Purchasing (VBP) Models

Medicaid will support ACO and other value oriented provider networks engaged in VBP models

- Sharing claims data
- Sharing quality reporting
- Sharing real-time alerts during critical transitions of care

State Wide Alert Notifications (SWAN)

- Funded by SIM for Medicaid population
- Connects all Iowa Hospitals to send real-time admission, discharge, transfer data to a central system SWAN
- Provides real-time alerts to providers and MCOs when a member has an:
 - ED Discharge
 - Inpatient Admit
 - Inpatient Discharge

Statewide Alert Notification (SWAN) System

Summary

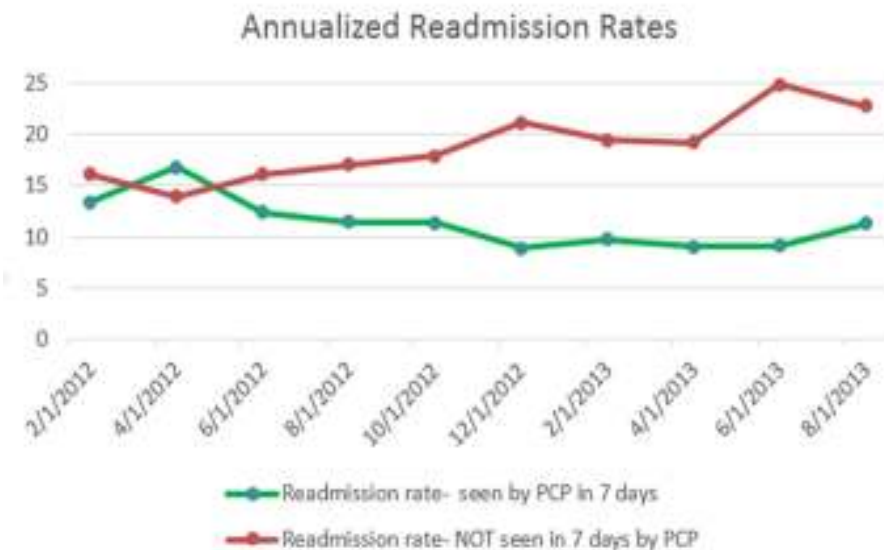
- Uses proven technology to improve patient outcomes by **improving care coordination**
- IME started sending alerts in **December of 2015**
- Potential to expand across payers to impact all Iowans

Real Iowa Story

- Provider received alerts for a dementia patient with several unknown ED admits
- Patient called 911 – different ambulances send to different local hospitals each time
- The provider worked with local hospitals, established a plan, and have been able to **keep the patient out of the ED.**

SWAN Can Improve Quality Scores

- Chronic and Follow-Up Care Measures (part of VIS):
 - 30 day Potentially Preventable Readmissions
 - PCP Visit 30 Days Post Discharge



Maryland Health Information
Exchange /Johns Hopkins

SIM Partners

[SIM Website](http://dhs.iowa.gov/ime/about/initiatives/newSIMhome)

<http://dhs.iowa.gov/ime/about/initiatives/newSIMhome>



healthiest
— state —
initiative